

**Fallsburg, NY** - Congressman Maurice Hinchey (D-NY) today visited the Town of Fallsburg to outline his efforts to reverse a policy change at the United States Department of Agriculture (USDA) Rural Development agency which is preventing certain local governments of rural areas from accessing millions of dollars in loans and grants through the Water and Waste Disposal program. Town Supervisor Steve Vegliante, one of many local officials who brought this issue to Hinchey's attention, was on hand for the event.

"The United States Department of Agriculture has made a serious error that is preventing local governments in rural areas like Fallsburg from accessing vital grants that help pay for water and wastewater infrastructure," said Hinchey. "I am working directly with the Department of Agriculture and in the Congress to address this issue, and I am hopeful that it will be resolved favorably. Local governments in Sullivan County and throughout New York rely on these Rural Development water and wastewater grants and loans to take the burden off local taxpayers, and it is absolutely essential that we reverse the USDA's misguided rules change."

For many decades, USDA has interpreted the term "rural" as being an area with fewer than 10,000 residents. Under the previous policy, for rural towns that included water and wastewater districts that only served part of a town, the USDA only considered the service area population instead of the town's total population when making determinations with regard to eligibility for the Water and Waste Disposal program. USDA also considered other factors such as median household income and the cost per household of water and sewer services.

However, in January, the Undersecretary for Rural Development notified various state offices that USDA would now only consider the official Census population of the town that applied rather than considering the population served by the water and/or sewer district itself. As a result, towns like Fallsburg or the Town of Wawarsing in Ulster County no longer qualify for these water and sewer loans and grants under the revised policy.

"The new policy fails to recognize that town populations in New York may include incorporated villages with their own water and sewer systems," said Hinchey. "With record state and local budget shortfalls, this significant administrative change by the USDA, which was made without congressional oversight or approval, now precludes more than a dozen municipalities such as Fallsburg from applying for federal assistance as a rural area."

Earlier this year, Vegliante contacted Hinchey's office to raise concerns with the new USDA policy. In April, Hinchey wrote to the Undersecretary for Rural Development Dallas Tonsager to urge reconsideration of the rule change. In May, Hinchey met directly with Tonsager for the same reason.

Hinchey is now working with other members of the New York State Congressional Delegation, including Senator Kirsten Gillbrand, Congressmen Scott Murphy, John Hall, Dan Maffei, Chris Lee, Bill Owens, Brian Higgins, Paul Tonko and Michael Arcuri to petition the USDA to recognize the unique situation in New York State and return to its longtime policy interpretation that gave proper consideration to whether a community was "rural" based on the service area of the town's infrastructure -- not the combined total of that area with other parts of the town as well as the villages located in their towns.

Hinchey is also working to reverse this misguided policy through the Agriculture Appropriations Subcommittee, on which he sits, and is exploring other legislative remedies that would treat New York fairly.